

**PUBLIC UTILITIES**

**BOARD OF PUBLIC UTILITIES**

**Electric Service**

**Proposed Readoption with Amendments: N.J.A.C. 14:5**

**Proposed New Rule: N.J.A.C. 14:5-2.7**

Authorized By: Board of Public Utilities, Jeanne M. Fox, President, and

Frederick F. Butler, Carol J. Murphy and Connie O. Hughes, Commissioners.

Authority: N.J.S.A. 48:2-13

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number EX02020053

Proposal Number PRN 2002-

Submit written comments by May 31, 2002 to:

James Giuliano, Director

Division of Service Evaluation

Board of Public Utilities

Two Gateway Center

Newark, New Jersey 07102

The agency proposal follows:

## **Summary**

Pursuant to N.J.S.A. 52:14B-5.1c, the provisions of N.J.A.C. 14:5, Electric Service, are scheduled to expire on August 30, 2002. These rules have served over an extended period of time in the regulation of electric utilities subject to the jurisdiction of the Board of Public Utilities (Board) in such areas as the construction, inspection and maintenance of utility plant, the testing and accuracy of electric meters, residential underground extensions and the maintenance and preservation of records and accounts. These rules are necessary in that they relate directly to the provision of safe, adequate and proper service by regulated New Jersey electric utilities.

The substantive provisions of the chapter proposed for readoption by the Board are summarized as follows:

N.J.A.C. 14:5-1.1 pertains to the applicable standards for plant construction.

N.J.A.C. 14:5-1.2 pertains to the separation and protection of communication and supply conductors or cables that are buried in the earth.

N.J.A.C. 14:5-1.3 pertains to the protection of buried supply conductors and cables at all crossings.

N.J.A.C. 14:5-1.4 pertains to the protection of communication and supply conductors or cables that are installed in the same trench generally parallel to each other.

N.J.A.C. 14:5-1.5 requires fault protection for cables where buried communication and power supply conductors of 550 volts or more between conductors are installed in the same trench without separation.

N.J.A.C. 14:5-1.6 requires each electric utility to properly identify its underground cables.

N.J.A.C. 14:5-1.7 requires ground protection where communication and power supply conductors are buried in the same trench without separation.

N.J.A.C. 14:5-1.8 pertains to the required depths for communication and power supply cables of over 550 volts between conductors that are buried in the same trench without separation.

N.J.A.C. 14:5-1.9 requires electric utilities to inspect and maintain street lighting lamps and accessories pursuant to established practice and to perform safety and service inspections before reinstalling equipment in its system.

N.J.A.C. 14:5-2.1 pertains to the amount of service connection to be supplied to customers by electric utilities.

N.J.A.C. 14:5-2.2 pertains to the supply of polyphase service.

N.J.A.C. 14:5-2.3 sets out the requirements for the standard average value of voltage for electric utilities supplying electric energy on a constant potential system and requires electric utilities supplying alternating current to adopt and maintain a suitable standard frequency.

N.J.A.C. 14:5-2.4 sets out the conditions under which main service cabinets or cabinets enclosing main fuses or breakers may be sealed.

N.J.A.C. 14:5-2.5 requires the grounding of secondaries to be in accordance with the National Electrical Safety Code.

N.J.A.C. 14:5-2.6 sets out those instances in which an electric utility may refuse to connect with a customer's installation.

N.J.A.C. 14:5-3.1 pertains to the equipment to be maintained by electric utilities for the testing of electric meters and to the inspection of such equipment.

N.J.A.C. 14:5-3.2 provides for the periodic testing of electric meters.

N.J.A.C. 14:5-3.3 pertains to the accuracy of electric meters.

N.J.A.C. 14:5-3.4 requires that all electric meters installed outdoors must be compensated for temperature variations.

N.J.A.C. 14:5-3.5 pertains to the adjustment of electric meters after testing and the testing for accuracy prior to installation.

N.J.A.C. 14:5-4.1 pertains to the applicability of the regulation for residential electric underground extensions.

N.J.A.C. 14:5-4.2 contains the definitions of certain words and terms that are used in Subchapter 4.

N.J.A.C. 14:5-4.3 requires that an electric utility construct, own, operate and maintain its underground distribution lines only in public streets in which it has a right to occupy and on public or private lands across which it has satisfactory rights-of-way or easements. In addition, applicants for a residential electric underground extension must furnish the electric utility suitable rights-of-way or easements in sufficient time to meet service requirements, at no cost and cleared of trees.

N.J.A.C. 14:5-4.4 pertains to the physical installation of an underground extension including timing, materials, data submissions and costs.

N.J.A.C. 14:52-4.5 requires the electric utility to provide a connection from the applicant's subdivision to the utility's existing supply facilities.

N.J.A.C. 14:5-4.6 pertains to the deposit that an electric utility must require from

an applicant prior to the start of construction on a section of the subdivision.

N.J.A.C. 14:5-4.7 reflects that costs specified in Subchapter 4 are premised on the cooperation of the applicant in an effort to keep the cost of the construction and installation of the underground electric distribution system as low as possible.

N.J.A.C. 14:5-4.8 pertains to the construction and installation of the underground electric distribution system and the coordination with the communication utility which will be constructing and installing an underground system.

N.J.A.C. 14:5-4.9 requires that subdivisions to be supplied from underground electric facilities incorporate the design for necessary street lighting.

N.J.A.C. 14:5-4.10 pertains to records that must be maintained by electric utilities on a calendar year basis for service connections made pursuant to subchapter 4.

N.J.A.C. 14:5-4.11 permits an application for an exemption from the requirement of an underground extension or for the approval of special conditions in those cases where the application of the requirement would result in hardship or be discriminatory to existing customers.

N.J.A.C. 14:5-4.12 provides that, with certain exceptions, subchapter 4 supersedes and revokes prior rules, regulations and standards promulgated with respect to underground electric extensions.

N.J.A.C. 14:5-4.13 provides that requirements in conflict with subchapter 4 shall not be imposed through municipal ordinances or regulations.

Appendix A provides illustrative examples of how costs for underground electric extensions are to be determined in different situations.

N.J.A.C. 14:5-5.1 adopts by reference the Uniform System of Accounts (USOA) for

Class A and B Electric Utilities promulgated by the Federal Energy Regulatory Commission. The purpose of the USOA is to require the affected electric utilities to adopt a uniform system of accounting by which to keep their books, records and accounts in a manner that will afford an intelligent understanding of the conduct of their business. The USOA creates a series of accounts and related numbering system by which to record various financial transactions pertaining to operating expense accounts, operating revenue accounts and operation and maintenance expense accounts.

N.J.A.C. 14:5-5.2 adopts by reference regulations proposed for adoption by the states by the National Association of regulatory Commissioners governing the preservation of records by electric utilities. These regulations place particular types of records into certain categories and establish periods of time during which such records should be maintained. The categories established by the regulations include corporate records, automatic data processing records, general accounting records, insurance records, operation and maintenance records, personnel records, plant and depreciation records, purchase and store records, revenue accounting and collecting records, tax records and treasury records.

N.J.A.C. 14:5-6.1 establishes guidelines to which electric utilities must adhere in constructing overhead transmission lines.

N.J.A.C. 14:5-7.1 sets forth the purpose and scope of subchapter 7 as it pertains to measuring reliability and ensuring the quality of the electric service being delivered to New Jersey customers by electric distribution companies.

N.J.A.C. 14:5-7.2 contains the definitions of certain words and terms that are used in subchapter 7.

N.J.A.C. 14:5-7.3 pertains to reliability performance levels.

N.J.A.C. 14:5-7.4 pertains to service reliability programs and procedures.

N.J.A.C. 14:5-7.5 requires electric utilities to consider power quality in the design and maintenance of their distribution power-delivery system components and to maintain power quality programs designed to promptly respond to customer reports of power quality problems.

N.J.A.C. 14:5-7.6 pertains to individual circuit reliability performance.

N.J.A.C. 14:5-7.7 pertains to inspection and maintenance programs and their components.

N.J.A.C. 14:5-7.8 provides for the submission by electric utilities of an Annual System Performance Report and sets out the components of such report.

N.J.A.C. 14:5-7.9 requires that electric utilities submit a report within 15 days of a “major event.”

N.J.A.C. 14:5-7.10 sets forth the criteria for the establishment of service level values.

N.J.A.C. 14:5-7.11 sets forth standards for the prompt restoration of service by electric utilities.

N.J.A.C. 14:5-7.12 sets forth the penalties for violations of the reporting and plan and program submission requirements and for other violations of the subchapter.

N.J.A.C. 14:5-7.13 pertains to the outage management systems to be implemented by each electric utility.

The Board, in this filing, is proposing the following amendments to N.J.A.C. 14:5:

1. Amendments to N.J.A.C. 14:5-1.8, 2.3(a), 4.4(g), 4.7(b), 5.2(c), 7.2, 7.6(a) and 7.8(a) to correct typographical and/or grammatical errors in the text;
2. The addition of N.J.A.C. 14:5-2.7 to instruct electric utilities that accidents are to

be reported in accordance with the provisions of N.J.A.C. 14:3-6.4, which already requires such reporting; and

3. The amendment of N.J.A.C. 14:5-5.2(c) to reflect the current mailing address of the National Association of Regulatory Utility Commissioners.

As the Board has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

### **Social Impact**

The rules proposed for readoption with amendments relate directly to the provision of safe, adequate and proper service by New Jersey electric utilities. Said rules are necessary to ensure that electric plant is constructed and installed pursuant to acceptable standards and is maintained and inspected in a manner that will protect the safety and well-being of the public. There is no additional impact resulting from the proposed amendments, all of which are technical.

### **Economic Impact**

As a result of the rules proposed for readoption with amendments, electric utilities, as they have in the past, will incur expenses for, among other things, inspecting and testing their plant and meters and maintaining required records. Since these items represent appropriate business activities, all reasonable levels of costs associated with them will be passed along to ratepayers through rates for service.

### **Environmental Impact**

The rules proposed for readoption with amendments will ensure that electric utilities maintain and operate adequate facilities that will protect the environment and provide ratepayers with safe, adequate and proper service, including service that meets all quality standards.

### **Federal Standards**

The rules proposed for readoption with amendments contain, in N.J.A.C. 14:5-5.1, the adoption by reference of the Uniform System of Accounts for Classes A and B Electric Utilities that have been promulgated by the Federal Energy Regulatory Commission (FERC) as well as any subsequent amendments, revisions, deletions and corrections which FERC may make thereto. The remainder of the subject matter of the rules proposed for readoption with amendments is not the subject of any Federal law, rule or regulation.

### **Jobs Impact**

The Board does not anticipate that the rules proposed for readoption with amendments will either cause jobs to be generated or lost in any area of the State's economy.

### **Agriculture Industry Impact**

The Board does not anticipate that the rules proposed for readoption with amendments will

have any impact on the agriculture industry of the State.

### **Regulatory Flexibility Analysis**

The rules proposed for readoption with amendments will not impose reporting, recordkeeping or other compliance requirements on small businesses, as that term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16, et seq., in that no regulated New Jersey electric utility has fewer than 100 employees.

### **Small Growth Statement**

It is anticipated by the Board that the rules proposed for readoption with amendments will have no impact on the achievement of smart growth and the implementation of the New Jersey State development and Redevelopment Plan

**Full text** of the proposed readoption may be found in the New Jersey Administrative Code at N.J.A.C. 14:5

**Full text** of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### 14:5-1.8 Depth of buried cable

Where communication and power supply cables of over 550 volts between conductors are buried without separation in the same trench or without mechanical protection, the power cable shall be buried to a minimum of 30 inches of cover except

under railroad tracks where they shall be buried with a minimum cover of 42 inches. In rock, 24-inch minimum cover will be acceptable or a lesser cover will be accepted where an adequate means of mechanical protection is provided.

#### 14:5-2.3 Adequacy of service

(a) Electric utilities supplying electrical energy on a constant potential system shall adopt and maintain a standard average value of voltage as measured at the point of attachment to the customer's wiring; and the normal variations, as measured by a standardized voltmeter, shall not vary for periods exceeding five minutes for service supplied at 150 volts or less to ground more than four [per cent] **percent** above, nor more than four [per cent] **percent** below said standard average voltage for said location which is in force at the time; provided, however, the variations in voltage caused by the operation of apparatus in **the** customer's premises in violation of the utility's rules, the action of the elements, or other causes beyond the utility's control shall not be considered a violation of this provision.

(b) (No change.)

#### **14:5-2.7 Accidents**

**Each electric utility shall report accidents in conformance with the provisions of N.J.A.C. 14:3-6.4**

#### 14:5-4.4 Installation of underground distribution system with subdivision

(a)-(f) (No change.)

(g) Such amounts as the public utility receives pursuant to its tariff, in accordance with this [Subchapter] **subchapter** and not subject to further refund, shall be credited to the appropriate utility plant account or accounts.

(h)-(n) (No change.)

#### 14:5-4.7 Cooperation by applicant

(a) (No change.)

(b) Should unusual circumstances arise which unreasonably would delay underground service, temporary facilities may be installed in whatever manner is most practical under the circumstances, provided, however, that such temporary facilities shall be replaced as soon as practical with a permanent installation in accordance with the provisions of this [Subchapter] **subchapter**.

(c) (No change.)

#### 14:5-5.2 Adoption by reference of rules concerning preservation of records; electric utilities

(a)-(b) (No change.)

(c) Copies of the full text of these rules are available for examination in the Board's offices in Two Gateway Center, Newark, New Jersey 07102 [and are included in the case files in these dockets]. [Additional copies] **Copies of these rules** may be purchased from the National

Association of Regulatory Utility Commissioners, [P.O. Box 684] **1101 Vermont Avenue, NW,**  
Washington, D.C. [20044] **20005.**

#### 14:5-7.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

...

“Major event” means any of the following:

1.-3. (No change.)

4. When mutual aid is provided to another EDC or utility, the assisting EDC may apply to the [BPU] **Board** for permission to exclude its sustained interruptions from its CAIDI and SAIFI calculations.

Interruptions occurring during a major event in one or more operating areas shall not be included in the EDC’s CAIDI and SAIFI calculations of those affected operating area(s). However, interruption data for major events shall be collected, according to the reporting requirements outlined in N.J.A.C. 14:5-7.9.

...

#### 14:5-7.6 Individual circuit reliability performance

(a) Upon request of the [BPU] **Board**, each EDC shall be able to identify reliability performance on a basis predefined by the EDC for any circuit on its system.

(c) (No change.)

#### 14:5-7.8 Annual System Performance Report

(a) Each EDC shall submit to the Board, on May 31, 2001, May 31, 2002 and September 1, 2002, an Annual System Performance Report (the "Annual Report"); provided, however, that the September 1, 2002 **Annual** Report shall be limited to CAIDI and SAIFI performance data for the period January 1, 2002 to June 30, 2002.

(b)-(g) No change.)